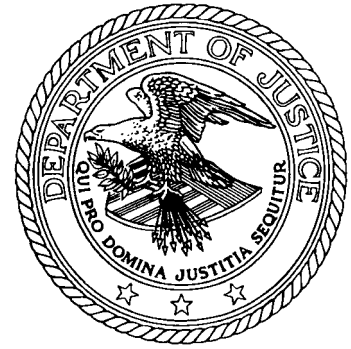


NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California

***United States Attorney
Carol C. Lam***

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For Immediate Release

NEWS RELEASE SUMMARY - October 4, 2005

United States Attorney Carol C. Lam of the Southern District of California and Eileen J. O'Connor, Assistant Attorney General for the Tax Division, U.S. Department of Justice, announced today that a federal grand jury sitting in San Diego handed up a six-count indictment charging Mohammad Jafar Nikbakht, also known as Freddy Nikbakht, with tax evasion, in violation of Title 26, United States Code, Section 7201 and filing false tax returns, in violation of Title 26, United States Code, Section 7206(1).

The indictment alleges that for the tax years 1998 through 2000, Nikbakht intentionally underreported his personal income on his individual federal tax returns filed with the Internal Revenue Service, by omitting business income he earned during those years.

According to the indictment, from 1998 through 2000, Nikbakht was the sole proprietor of California Car Exchange, a licensed wholesale used car business. He also was a co-owner of California Collision Center Inc., an auto paint and body repair shop, and of Miramar Auto Credit Company, a retail used car business. During 1998 through 2000, Nikbakht bought and sold used cars at auto auctions and car dealers in the San Diego area. The indictment further alleges that Nikbakht filed false Individual Income Tax Returns for

the tax years 1998, 1999, and 2000, and evaded federal income taxes by omitting income he earned during these years. For example, Nikbakht reported \$33,552 in taxable income for 1998, and no taxable income for 1999 and 2000, when in fact he knew his taxable income was higher for each of these years.

United States Attorney Lam said, "Paying taxes is a responsibility we all share, and this defendant's refusal to meet his obligations has led to this federal indictment."

Kenneth J. Hines, Special Agent in Charge for the Internal Revenue Service, Criminal Investigation Division stated, "The IRS is duty bound to ensure all Americans pay their fair share of taxes. It is critical for honest taxpayers to know the IRS will seek prosecution of those who endeavor to undermine the nation's tax laws."

This case is the result of an investigation by the Internal Revenue Service, Criminal Investigation.

DEFENDANTS

Mohammad Jafar Nikbakht

SUMMARY OF CHARGES

Title 26, United States Code, Section 7201 - Tax Evasion (Counts 1-3)

Maximum Sentence: Five years in custody and a maximum fine of \$250,000.00.

Title 26, United States Code, Section 7206(1) - Filing a False Tax Return (Counts 4-6)

Maximum Sentence: Three years in custody and a maximum fine of \$100,000.

PARTICIPATING AGENCY

Internal Revenue Service, Criminal Investigation

An indictment itself is not evidence that the defendant committed the crimes charged. Each defendant is presumed innocent until the Government meets its burden in court or proving guilt beyond a reasonable doubt.